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4 April 1964

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## CENTRAL

# INTELLIGENCE

## BULLETIN



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25X1

4 April 1964

### CENTRAL INTELLIGENCE BULLETIN

#### CONTENTS

| 1. | Brazil: Goulart apparently out of Brazil; new leaders consolidating their positions. (Page 1)            |      |
|----|--|------|
| 2. | South Vietnam: Security conditions deteriorate in northern coastal province. (Page 2)                    |      |
|    |  | 25X1 |
| 4. | Bolivia: Growing factionalism within the ruling party may threaten stability of the government. (Page 4) | ]    |
| 5. | Notes: Cyprus; (Page 5)  |      |
|    | 25X1   |      |

### CENTRAL INTELLIGENCE BULLETIN

4 April 1964

#### DAILY BRIEF

\*Brazil: With ousted President Goulart apparently out of the country, Brazil's new leaders are now facing the problem of consolidating their positions.

Uruguayan officials have announced that Goulart and his brother-in-law, Leonel Brizola, have arrived in Uruguay, following the arrival there yesterday of Mrs. Goulart and their children.

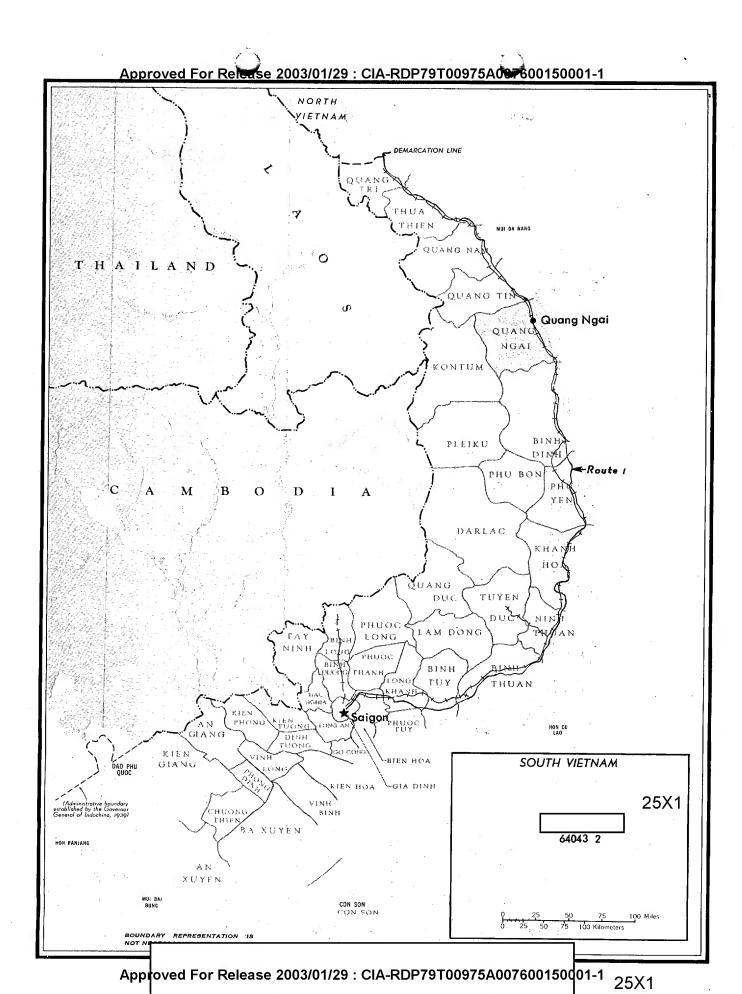
At his first news conference, President Mazzilli has named Vasco Leitao da Cunha as foreign minister and Octavio Gouveia de Bulhoes to the finance post. Both are regarded as pro-US. Leitao da Cunha is former ambassador to Moscow and a highly respected career official.

The new administration is already confronted with political bickering among the revolutionary leaders. Governors De Barros (Sao Paulo) and Magalhaes Pinto (Minas Gerais) and General Kruel have spoken out against what they consider signs of a return to the prerevolutionary status quo. They apparently fear that political power may drift back to the coalition of Mazzilli's Social Democratic Party and Goulart's Brazilian Labor Party which prevailed before the revolt.

| Meanwhile, the roundup of Communists ar       | nd leftists |
|---|-------------|
| continues apace. In the armed forces all know | n loftiata  |
| are being removed from command positions.     | II ICILISIS |
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4 Apr 64 CENTRAL INTELLIGENCE BULLETIN Man

South Vietnam: Security conditions continue to deteriorate in the northern coastal province of Quang Ngai.

The government has lost control of many coastal areas of the province that were formerly considered secure. The Viet Cong has followed up its success here last November with a systematic campaign of terrorism and propaganda conducted by small bands of armed agents.

On 28 March, Viet Cong guerrillas--without resistance--entered two large hamlet complexes, burned several hundred houses, and kidnaped hamlet officials.

The Viet Cong can draw on four or five battalions to launch coordinated attacks throughout Quang Ngai with little advance warning. They have recently intensified sabotage of the coastal rail line and Route 1—the primary north-south highway—and may be able, at least temporarily, to isolate the province from adjoining provinces.

Viet Cong troop movements in battalion strength have been reported in the mountains around Quang Ngai city.

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\*Bolivia: Growing factionalism within the ruling Nationalist Revolutionary Movement (MNR) may challenge President Paz' ability to maintain government stability.

Former MNR vice-presidential candidate Federico Fortun has formed a new bloc within the party to oppose the candidacy of General Rene Barrientos as Paz' vice-presidential running mate in the 31 May national elections. Paz reluctantly dropped Fortun from the ticket last month under pressure from pro-Barrientos forces within the party and military.

Fortun is using the newly created bloc as a vehicle for regaining the party's vice-presidential nomination. Barrientos, in order to avoid what he terms "tricks" staged by Fortun, is threatening to resign his candidacy if Fortun demands his legal right to the nomination.

Should Paz abandon the popular general, considerable dissension could develop within the armed forces. Barrientos' resignation could also trigger uprisings by his peasant followers.

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#### NOTES

Cyprus: President Makarios and Vice President Kuchuk have each told departing US Ambassador Wilkins that the UN mediator will not be able to bring the Greek and Turkish communities to a compromise. The ambassador believes that the progress the Greek Cypriot security forces are making in re-establishing control will lead the Makarios government to feel that the UN presence will not be needed beyond the initial three-month period. Kuchuk claims that his community faces either "slavery" or mass emigration.

25X1

25X1

4 Apr 64

DAILY BRIEF

5

